

shares. This paragraph (3) shall not be construed as implying that in the absence of this paragraph the provisions of this or any other section of this article could properly be otherwise construed.

(4) The number of shares of such stock may be increased or decreased in the manner and subject to the conditions provided in Sections 28 to 32, inclusive, of this article. The amount of such stock issued may also be reduced in the manner and subject to the conditions provided in said sections for the reduction of the par value of shares of stock.

(5) All other provisions of law relating to stock having a par value, so far as the same may be legally, necessarily or practicably applicable, shall apply to and govern stock without par value.

Corporation may amend its charter so as to substitute non-par stock for par stock. See notes to sec. 392. The conversion of surplus into increased capital must be accomplished in compliance with statutory method. Pub. Serv. Commn. v. Consol. Gas. Co., 148 Md. 96 (decided prior to act 1927, ch. 581).

Cited but not construed in *Maas v. Maas*, 165 Md. 347.

See footnote to sec. 10.

An. Code, 1924, sec. 40. 1920, ch. 545, sec. 34B. 1927, ch. 581, sec. 40.

**40.** The charter may provide that shares of stock of any class shall be convertible into shares of stock of any other class upon such terms and conditions as may be therein stated. For the purpose of the bonus tax imposed by the laws of this State, the authorized amount of stock of any class which by the terms of such charter is convertible into stock of another class shall be taken to be either the amount of such stock authorized by such charter or the aggregate amount of the stock into which such stock is convertible, whichever is the greater, except that if the charter provides that, out of the stock of the corporation then or thereafter to be authorized, stock shall be reserved for issuance upon such conversions, the bonus tax shall be calculated and paid upon the amount of stock authorized by such charter without reference to the amount of stock into which any of such stock is convertible.

See notes to secs. 392 and 39.

An. Code, 1924, sec. 41. 1912, sec. 35. 1904, secs. 69, 70. 1888, secs. 61, 62. 1868, ch. 471, secs. 56, 57. 1908, ch. 240, sec. 35. 1916, ch. 596, sec. 35. 1920, ch. 545, sec. 35. 1924, ch. 550, sec. 35. 1929, ch. 565.

**41.** (1) Nothing in Sections 41 to 49, inclusive, of this Article shall be taken or construed as limiting or affecting the liability of stockholders in banking, safe deposit, trust and loan corporations.

(2) The term "consideration other than money" as used in said sections includes a consideration partly in money.

(3) The term "convertible securities" as used in said sections shall be taken to mean obligations of a corporation convertible into shares of its stock.

(4) The authorization of the issuance of stock of any class which by the terms of the charter is convertible into stock of another class shall constitute the authorization of the issuance, in accordance with the terms of the charter, of the stock into which such stock is convertible.